



**The California Managed Risk Medical Insurance Board**  
1000 G Street, Suite 450  
Sacramento, CA 95814  
(916) 324-4695 FAX: (916) 324-4878

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**April 18, 2008**

**NOTICE OF PROPOSED RULEMAKING  
R-2-08**

**TITLE 10, CALIFORNIA CODE OF REGULATIONS  
CHAPTER 5.6 ACCESS FOR INFANTS AND MOTHERS PROGRAM**

**AMEND SECTIONS 2699.100; 2699.201; 2699.205; 2699.207; 2699.209; and 2699.400**

**NATURE OF PROCEEDING**

NOTICE IS HEREBY GIVEN that the Managed Risk Medical Insurance Board (MRMIB) is proposing to take the action described in the Informative Digest.

A public hearing regarding this proposal will be held on June 3, 2008 at 9:00 a.m. at 1000 G Street, Suite 450, Sacramento, CA 95814.

Following the public hearing MRMIB may thereafter adopt the proposal substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written comments related to this proposal, or who provide oral testimony at the public hearing, or who have requested notification of any changes to the proposal.

Notice is also given that any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulator action to the

Managed Risk Medical Insurance Board  
Attn: JoAnne French  
1000 G Street, Suite 450  
Sacramento, CA 95814

Comments may also be submitted by facsimile (FAX) at (916) 327-6580 or by e-mail to [jfrench@mrmib.ca.gov](mailto:jfrench@mrmib.ca.gov). Comments must be submitted prior to 5:00 p.m. on June 3, 2008.

**AUTHORITY AND REFERENCE**

Pursuant to the authority vested by Section 12696.05 Insurance Code, and Reference Sections: 12693.765, 12695; 12695.06; 12695.08; 12695.18; 12695.20, 12695.22; 12695.24; 12696, 12696.05, 12698, 12698.05, 12698.30, Insurance Code. Amendment of Sections 2699.201; 2699.205; 2699.207; 2699.209; and 2699.400.

**INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

Insurance Code Sections 12695, et seq. established the Access for Infants and Mothers (AIM) Program in 1991, to provide health insurance to low and moderate income pregnant women and the infants born to the covered women. The program, established under the Managed Risk Medical Insurance Board (MRMIB), is funded from four sources: the Cigarette and Tobacco Products Surtax Fund (Prop. 99), State General Fund, Federal Funds from Title XXI of the Social Security Act, and subscriber contributions. AIM is a means tested program, covering pregnant women with family incomes above 200%, but not more than 300%, of the federal poverty level (FPL). Women with family incomes below 200% FPL qualify for no cost Medi-Cal services for their pregnancy, funded by State and Federal dollars.

Currently, the AIM program requires the subscriber to pay the full contribution rate of 1.5% during the term of their pregnancy, regardless of when the subscriber is no longer pregnant, after their effective date of coverage. The proposed regulation changes state that subscribers enrolled on or after July 1, 2008, who are no longer pregnant by the end of their first trimester, will not be subjected to pay the entire 1.5% contribution. Instead, their subscriber contribution will be reduced to one-third (1/3) of the current 1.5 % subscriber contribution. The proposed regulations provide a definition for first trimester.

There are no comparable provisions of federal law related to this proposal.

**LOCAL MANDATE**

This proposal does not impose a mandate on local agencies or school districts.

**FISCAL IMPACT ESTIMATES**

This proposal does not impose a mandate on local agencies or school districts for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500 of Division 4 of the Government Code. This proposal does not impose other nondiscretionary cost or savings on local agencies. This proposal does not result in any cost or savings in federal funding to the state.

**COSTS OR SAVINGS TO STATE AGENCIES**

There will be a minimal increase in costs to the state due to fact that we will charge subscribers less if they have a miscarriage in the first trimester. However, there are very few miscarriages in the first trimester. MRMIB believes that this is a good public policy modification.

**BUSINESS IMPACT/SMALL BUSINESS**

MRMIB has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal does not affect small businesses as defined by section 11342.610. The determination that the proposal would not affect small business is based upon the fact that the proposal applies only to the procedures followed by MRMIB should a determination of insufficient funding be made by the Board. It has no impact at all on any entity that is not a state agency as defined in section 11000 of the California Government Code as the regulations only establish procedures.

**ASSESSMENT REGARDING EFFECT ON JOBS/BUSINESSES**

The MRMIB has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

**COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS**

The MRMIB is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

**EFFECT ON HOUSING COSTS:** None

**ALTERNATIVES**

The MRMIB must determine that no reasonable alternative considered by the agency, or that has been otherwise identified and brought to the agency's attention, would be more effective in carrying out the purpose for which the adoption of this regulation is proposed, or would be as effective as and less burdensome to affected private persons than the proposed action.

**CONTACT PERSONS**

Inquires concerning the proposed adoption of this regulation and written comments may be directed to:

JoAnne French  
Managed Risk Medical Insurance Board  
1000 G Street, Suite 450  
Sacramento, CA 95814  
(916) 327-7978

or

Randi Turner  
Managed Risk Medical Insurance Board  
1000 G Street, Suite 450  
Sacramento, CA 95814  
(916) 327-8243

**INITIAL STATEMENT OF REASONS**

The MRMIB has prepared an initial statement of reasons for the proposed action and has available all the information upon which the proposal is based.

**TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which this proposal is based, may be obtained upon request from the Managed Risk Medical Insurance Board at 1000 G Street, Suite 450, Sacramento, CA 95814. These documents may also be viewed and downloaded from the MRMIB website at [www.mrmib.ca.gov](http://www.mrmib.ca.gov)

**AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE**

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named above.

You may obtain a copy of the final statement of reasons once it has been prepared by making a written request to the contact person named above.

**WEBSITE ACCESS**

Materials regarding this proposal can be found at [www.mrmib.ca.gov](http://www.mrmib.ca.gov)

**STATE OF CALIFORNIA  
MANAGED RISK MEDICAL INSURANCE BOARD  
1000 G STREET, SUITE 450  
SACRAMENTO, CA 95814**

**TITLE 10. INVESTMENT, CALIFORNIA CODE OF REGULATIONS  
CHAPTER 5.6 ACCESS FOR INFANTS AND MOTHERS PROGRAM  
AMEND SECTIONS 2699.100; 2699.201; 2699.205; 2699.207; 2699.209; and 2699.400**

**INITIAL STATEMENT OF REASONS**

**INTRODUCTION**

Insurance Code Sections 12695, et seq. established the Access for Infants and Mothers (AIM) Program in 1991, to provide health insurance to low and moderate income pregnant women and the infants born to the covered women. The program, established under the Managed Risk Medical Insurance Board (MRMIB), is funded from four sources: the Cigarette and Tobacco Products Surtax Fund (Prop. 99), State General Fund, Federal Funds from Title XXI of the Social Security Act, and subscriber contributions. AIM is a means tested program, covering pregnant women with family incomes above 200%, but not more than 300%, of the federal poverty level (FPL). Women with family incomes below 200% FPL qualify for no cost Medi-Cal services for their pregnancy, funded by State and Federal dollars. Those infants born to subscribers enrolled in the AIM program on or after July 1, 2004 are automatically eligible for the Healthy Families Program (HFP). In order for an infant to be enrolled in the HFP, the AIM subscriber must register the infant into the HFP and pay for the first monthly child contribution amount. Infants born to AIM subscribers on or after July 1, 2007 are no longer automatically eligible for the HFP. In order for an infant to qualify for the HFP, the child cannot be enrolled in employer sponsored insurance and is not enrolled in the no-cost full scope Medi-Cal program.

Currently, the AIM program requires the subscriber to pay the full contribution rate of 1.5% during the term of their pregnancy, regardless of when the subscriber is no longer pregnant, after their effective date of coverage. The proposed regulation changes state that subscribers enrolled on or after July 1, 2008, who are no longer pregnant by the end of their first trimester, will not be subjected to pay the entire 1.5% contribution. Instead, their subscriber contribution will be reduced to one-third (1/3) of the current 1.5 % subscriber contribution.

## **SPECIFIC PURPOSE OF EACH SECTION – GOVERNMENT CODE 11346.2(B)(1)**

### **Proposed Amendments to Section 2699.100**

The AIM program will be reducing the subscriber contribution for subscribers that are no longer pregnant by the end of their first trimester. Therefore, it is necessary to define what period of time is considered to be the first trimester of the pregnancy. Section 2699.100 defines various terms found throughout the AIM Regulations. An additional definition, “First trimester” is proposed. This section is being amended to clarify how the first trimester is measured and will be used to determine if the subscriber contribution would be reduced.

#### **Rationale for the Necessity of the Changes**

Adopt Subsection (l), to include a new definition for “First trimester” to determine if the subscriber would qualify for a reduction of their subscriber contribution. The new definition for “First trimester” identifies when the first trimester ends.

“First Trimester” is now defined to mean the “first 13 weeks starting with the first day of a pregnant woman’s last menstrual period and ending at the end of the 13<sup>th</sup> week, or the first 13 weeks of a 40-week, full-term pregnancy as documented by a licensed health care professional.”

This definition was established based on the expertise and reliability of The American College of Obstetrics and Gynecology (ACOG).

Subsections 2699.100 (l) through (z), are being re-lettered to (m) through (aa) because of the adoption of the new definition for “First trimester.”

### **Proposed Amendments to Section 2699.201**

Section 2699.201 describes the information requested on the AIM application which is used to determine eligibility for the AIM program. This section is being updated to reflect the changes of the AIM application as of July 2007.

#### **Rationale for the Necessity of the Changes**

Amend Subsection 2699.201 (d)(1), the number “6/04” is being replaced with “7/07” in order to reflect the updated version of the AIM application.

Adopt Subsection 2699.201 (d)(1)(K), to include “the first and last name, and date of birth of the baby’s father if living with the pregnant woman.”

Adopt Subsection 2699.201 (d)(1)(L), to the “information about whether the father of the baby is married to the pregnant woman.”

Subsection 2699.201 (d)(1)(K) through (BB), are being re-lettered to (M) through (DD) because of the adoption of subsections 2699.201 (d)(1)(K) and (L).

Amend Subsection 2699.201 (d)(1)(V), to include a comma, “,” after the word “Name” and delete the word “and” after “Name” to include “and phone number” after address.

### **Proposed Amendments to Section 2699.205**

Section 2699.205 describes the registration of an infant born to an AIM mother. This section is being updated to remove the information regarding infants born prior to July 1, 2004 and to reflect updates recently adopted by the Office of Administrative Law and the Secretary of State’s Office to the Healthy Family Program regulations.

#### **Rationale for the Necessity of the Changes**

Delete Subsection 2699.205 (a) as infants are no longer enrolled in the AIM program, but instead have the opportunity to enroll in HFP.

Subsection 2699.205 (b) is being re-lettered to (a).

Amend Subsection 2699.205 (a)(1), the words “the required premium and provide” as the premium is no longer required to be initially enrolled in HFP.

### **Proposed Amendments to Section 2699.207**

Section 2699.207 describes the reasons a subscriber can be disenrolled from the AIM program, and the time frame in which the disenrollment will take an effect.

This section is being amended to clearly identify when the subscriber will be disenrolled and when it will take effect. In addition, this section is being updated to reflect when the subscriber is eligible for a reduced premium based on the pregnancy ending by the end of the first trimester.

#### **Rationale for the Necessity of the Changes**

Amend Subsection 2699.207 (a) to remove the words “and/or infant” as infants are no longer enrolled in the AIM program.

Adopt Subsection 2699.207 (a)(2)(D), which states, “more than 60 days have elapsed since the end of pregnancy for which the subscriber enrolled in the program. As a condition of receiving the premium reduction described in Section 2699.400 (a)(5), documentation by a licensed or certified healthcare professional must be submitted to the program indicating the date the pregnancy ended.” This adoption is necessary to clarify when coverage would end and that documentation is needed to reduce the subscriber contribution.

Delete Subsection 2699.207 (a)(3), as infants are no longer enrolled in the AIM program.

Amend Subsection 2699.207 (b), the sentence “a subscriber shall be notified by the program in writing of the disenrollment of the subscriber and/or infant from the program, the effective date of and the reason for the disenrollment” is being deleted. This section is being updated to provide a clear itemized list of the information that must be provided to the subscriber. In addition, is also deleting the reference to infant because infants are no longer enrolled in the AIM program. This section has been amended to read, “when a subscriber is disenrolled pursuant to subsection (a) of this section, the program shall notify the subscriber of the disenrollment. The notice shall be in writing and include the following information:

- (1) The reason for the disenrollment.
- (2) The effective date of the disenrollment.
- (3) An explanation of the appeals process.”

Amend Subsection 2699.207 (c), is being to re-worded for clarity of when the disenrollment will be effective. The paragraph, “except for Section 2699.207 (a)(2)(C), disenrollment shall take effect at the end of the calendar month in which the request was received or at the end of a future calendar month as requested by the applicant. Disenrollment pursuant to Section 2699.207 (a)(2)(C) shall take effect upon the date that would have been the effective date of coverage” is being replaced. The paragraph is being amended to, “disenrollment pursuant to (a)(1), shall take effect at the end of the calendar month in which the request was received or at the end of a future calendar month as requested by the subscriber.”

Adopt Subsection 2699.207 (d), to clarify when the disenrollment would take an effect if the subscriber is disenrolled pursuant to subsection 2699.207 (a)(2)(A). The following new language is being added, “disenrollment pursuant to (a)(2)(A), shall take effect at the end of the calendar month in which the program determines that the subscriber fails to meet the residency requirement.”



Adopt Subsection 2699.207 (e), to clarify when the disenrollment would take an effect if the subscriber is disenrolled pursuant to subsection 2699.207 (a)(2)(B). The following new language is being added, “disenrollment pursuant to (a)(2)(B), shall take effect at the end of the calendar month in which the program determines that the subscriber has committed fraud.”

Adopt Subsection 2699.207 (f), to clarify when the disenrollment would take an effect if the subscriber is disenrolled pursuant to subsection 2699.207 (a)(2)(C). The following new language is being added, “disenrollment pursuant to (a)(2)(C), shall take effect upon the date that would have been the effective date of coverage.”

Adopt Subsection 2699.207 (g), to clarify when the disenrollment would take an effect if the subscriber is disenrolled pursuant to the new subsection 2699.207 (a)(2)(D). The following new language is being added, “disenrollment pursuant to (a)(2)(D), shall take effect on the 61<sup>st</sup> day following the date the subscriber’s pregnancy ended.”

Subsection 2699.207(c) is being re-lettered to (h) because of the adoption of Subsections 2699.207 (d) through (g).

Amend Subsection 2699.207 (h), by removing “and/or infant” as infants are no longer enrolled in the AIM program.

### **Proposed Amendments to Section 2699.209**

Section 2699.209 describes the start date of coverage and when a subscriber will be disenrolled and coverage will end. This section was revised to be more specific, readable and to remove references of infants because infants are no longer enrolled into the AIM program.

### **Rationale for the Necessity of the Changes**

Amend Subsection 2699.209 (b) to be inclusive of information provided in Subsection 2699.209 (d) as both subsections refer to the coverage for the subscriber will be for one pregnancy and shall include services following the pregnancy for sixty (60) days, as long as the subscriber is not disenrolled pursuant to Section 2699.207. Therefore, Subsection 2699.209 (b), will include “unless the subscriber otherwise disenrolled pursuant to Section 2699.207.” The word “Coverage” is being updated to “coverage.” The following sentence is being deleted, “the subscriber shall be notified of the date her coverage ends and such notice will be provided at least twenty (20) days prior to that date.” This sentence is being removed as it is contingent on timely notification of the end of pregnancy

being received by the AIM program. However, the AIM program does not have ability to enforce timely notification of when all pregnancies end.

Delete Subsection 2699.209 (c) as infants are no longer enrolled in the AIM program.

Delete Subsection 2699.209 (d) as this information was added to Subsection 2699.209 (b) to provide a clearer understanding.

### **Proposed Amendments to Section 2699.400**

Section 2699.400 explains what the subscriber contribution shall be. For subscribers who are enrolled on or after July 1, 2008, and the subscriber is no longer pregnant by the end of their first trimester, the subscriber contribution shall be reduced to one-third (1/3) of the subscriber contribution.

### **Rationale for the Necessity of the Changes**

Adopt Subsection 2699.400 (a)(5)(A), to define when the contribution will be reduced and who is eligible to receive the reduction. The following language is being added, “for subscribers who are enrolled on or after July 1, 2008, and no longer pregnant by the end of their first trimester, the subscriber contribution shall be reduced and shall be one-third (1/3) of the subscriber contribution calculated pursuant to subsections (a)(1) and (a)(4) of this section.”

Adopt Subsection 2699.400 (a)(5)(B), to define what must be submitted to the AIM program to receive the subscriber contribution reduction. The following language is being added, “as a condition of receiving this reduction, documentation by a licensed or certified healthcare professional must be submitted to the program indicating the date the pregnancy ended.”

Amend Subsection 2699.400 (e), to reflect the adoption of Subsection 2699.400 (a)(5). The word “or” is being removed and is being replaced by a comma and adding the following additional language, “or unless the subscriber contribution is reduced pursuant to Section 2699.400 (a)(5).”

### **OTHER REQUIRED SHOWINGS – GOVERNMENT CODE 11346.2(b)-(4)**

**Studies , Reports, or Documents Relied Upon – Gov.Code 11346.2(b)(2):**  
MRMIB relied upon The American College of Obstetrics and Gynecology (ACOG), for the definition of the “first trimester.” MRMIB did not rely upon any additional specified written reports or documents in developing these Regulations, other than the cited laws and Regulations. MRMIB relied upon its own experience in managing and administering the AIM program.

**Reasonable Alternatives Considered – Gov. Code 11346.2(b)(3)(A): None**

**Reasonable Alternatives Considered That Would Lessen the Impact on Small Businesses – Gove. Code 11346.2(b)(3)(B): None**

**Evidence Relied Upon to Support The Initial Determination That the Regulation will Not Have A Significant Adverse Economic Impact On Business – Gov. Code 11346.2(b)(4):**

The proposed regulation will not have an economic impact upon business since it only impacts MRMIB and the state as the subscriber will pay less than they currently pay during their pregnancy as a result of a miscarriage in the first trimester.

**STATE OF CALIFORNIA  
MANAGED RISK MEDICAL INSURANCE BOARD  
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**TITLE 10. INVESTMENT. CALIFORNIA CODE OF REGULATIONS  
CHAPTER 5.6. ACCESS FOR INFANTS AND MOTHERS PROGRAM**

**AMEND SECTIONS 2699.100; 2699.201; 2699.205; 2699.207; 2699.209; and 2699.400;**

**ARTICLE 1. DEFINITIONS**

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**Section 2699.100 is amended to read:**

2699.100. Definitions

- (a) "Appellant" means an applicant or subscriber who has filed an appeal with the program.
- (b) "Applicant" means a pregnant woman 18 years of age or older who is applying on her own behalf, or a legal guardian or a natural parent, foster parent, or stepparent with whom the child resides, who applies for coverage under the program on behalf of a child. "Applicant" also means a pregnant woman who is applying for coverage on her own behalf who is under 18 years of age, or who is an emancipated minor, or who is a minor not living in the home of a natural or adoptive parent, a legal guardian, foster parent or stepparent.
- (c) "Application Date" means the date an application is sent to the program as evidenced by the U.S. postmark date on the application envelope, or documentation from other delivery services including fax delivery.
- (d) "Board" means the Managed Risk Medical Insurance Board.
- (e) "Coverage" means the payment for benefits provided through the program.
- (f) "Disenroll" means to terminate coverage by the program.

- (g) "Eligible" means the applicant is qualified to be enrolled in a participating health plan.
- (h) "Enroll" means to accept an applicant as a subscriber by notifying a participating health plan to accept the applicant.
- (i) "Executive Director" means the executive director for the Board.
- (j) "Family member" means the following persons living in the individual's home:
  - (1) Children under age 21, of married or unmarried parents living in the home.
  - (2) The married or unmarried parents of the child or sibling children.
  - (3) The stepparents of the sibling children.
  - (4) The separate children of either an unmarried parent or a married parent or stepparent.
  - (5) An unborn child of the pregnant woman who is applying for coverage on her own behalf or on whose behalf an application has been submitted.
  - (6) Children under the age of 21, of married or unmarried parents, away at school who are claimed as tax dependents.
  - (7) The spouse of the pregnant woman.
- (k) "Federal poverty level" means the level determined by the "Poverty Guidelines for the 48 Contiguous States and the District of Columbia" as contained in the Annual Update of HHS Poverty Guidelines as published in the Federal Register by the U.S. Department of Health and Human Services.
- ~~(l)~~ (l) "First trimester" means the first 13 weeks starting with the first day of a pregnant woman's last menstrual period and ending at the end of the 13<sup>th</sup> week, or the first 13 weeks of a 40-week, full-term pregnancy as documented by a licensed health care professional.
- ~~(n)~~ (m) "Gross household income" means the total annual gross income of all family members except dependent children. Income includes before tax earnings from a job, including cash, wages, salary, commissions and tips, self-employment net profits, Social Security, State Disability Insurance

(SDI), Retirement Survivor Disability Insurance (RSDI), veterans benefits, Railroad Retirement, disability worker's compensation, unemployment benefits, alimony, spousal support, pensions and retirement benefits, grants that cover living expenses, settlement benefits, rental income, gifts, lottery/bingo winnings and interest income. Income excludes child support, public assistance program benefits such as SSI/SSP and CalWORKS payments, foster care payments, general relief, loans, grants or scholarships applied toward college expenses, or earned income of a child aged 13 or under, or a child attending school. Income does not include income exclusions applicable to all federal means tested programs such as, disaster relief payments, per capita payments to Native Americans from proceeds held in trust and/or arising from use of restricted lands, Agent Orange payments, Title IV student assistance, energy assistance payments to low income families, relocation assistance payments, victims of crime assistance program, Spina Bifida payments, earned income tax credit and Japanese reparation payments.

~~(m)~~(n) "Healthy Families Program" (HFP) means the Federal/State funded program that is operated pursuant to Title XXI of the Social Security Act and Part 6.2 (commencing with Section 12693) of Division 2 of the California Insurance Code, and that provides low cost health, dental and vision insurance coverage to eligible children.

~~(n)~~(o) "Income deduction" means any of the following:

- (1) Work expenses of \$90 per month for each family member except dependent children working or receiving disability workers' compensation or State Disability Insurance. If a family member earns less than \$90, the deduction can only be for the amount earned.
- (2) Child care expenses while a family member works or trains for a job of up to \$200 per month for each family member under age 2, up to \$175 per month for each family member over age 2 and disabled dependent care expenses of up to \$175 for a disabled dependent living in the home.
- (3) The amount paid by a family member per month for any court ordered alimony or child support.
- (4) \$50 for alimony payments received by the pregnant woman. If a woman receives less than \$50, the deduction can only be for the amount received.

- ~~(e)~~(p) "Infant" means a subscriber's child born to a subscriber while the subscriber is enrolled in the program.
- ~~(p)~~(q) "Living in the home" means using the home as the primary place of residence.
- ~~(q)~~(r) "Medi-Cal" means the California health care services program under Title XIX of the Social Security Act.
- ~~(r)~~(s) "Medicare" means the Health Insurance for the aged and permanently disabled provided under Title XVIII of the Social Security Act; "Part A" means Hospital Insurance as defined in Title XVIII of the Social Security Act; and "Part B" means Medical Insurance as defined in Title XVIII of the Social Security Act.
- ~~(s)~~(t) "Participating health plan" means any of the following plans which are lawfully engaged in providing, arranging, paying for, or reimbursing the cost of personal health care services under insurance policies or contracts, medical and hospital service arrangements, or membership contracts, in consideration of premiums or other periodic charges payable to it, and that contracts with the program to provide coverage to program subscribers:
- (1) A private insurer holding a valid outstanding certificate of authority from the Insurance Commissioner.
  - (2) A nonprofit hospital service plan qualifying under Chapter 11a (commencing with Section 11491) of Part 2 of Division 2 of the Insurance Code.
  - (3) A nonprofit membership corporation lawfully operating under the Nonprofit Corporation Law (Division 2 (commencing with Section 5000) of the Corporations Code).
  - (4) A health care service plan as defined under subdivision (f) of Section 1345 of the Health and Safety Code.
  - (5) A county or a city and county, in which case no license or approval from the Department of Insurance or the Department of Corporations shall be required to meet the requirements of this part.
  - (6) A comprehensive primary care licensed community clinic that is an organized outpatient freestanding health facility and is not part of a hospital that delivers comprehensive primary care services, in

which case, no license or approval from the Department of Insurance or the Department of Corporations shall be required to meet the requirements of this part.

~~(t)~~(u) "Program" means the Access for Infants and Mothers Program.

~~(u)~~(v) "Resident" means a person who is present in California with intent to remain present except when absent for transitory or temporary purposes.

~~(v)~~(w) "State supported services" means abortion services provided to the subscribers through the program.

~~(w)~~(x) "Subscriber" means an individual who is eligible for and enrolled in the program.

~~(x)~~(y) "Subscriber contribution" means the cost to the subscriber to participate in the program.

~~(y)~~(z) "Tenses and Number". The present tense includes the past and future, and the future the present; the singular includes the plural and the plural the singular.

~~(z)~~(aa) "Time". Whenever in this chapter a time is stated in which an act is to be done, the time is computed by excluding the first day and including the last day. If the last day is a holiday it is also excluded.

NOTE: Authority cited: Section 12696.05, Insurance Code. Reference: Sections 12695, 12695.06, 12695.08, 12695.18, 12695.20, 12695.22, 12695.24, 12696 and 12698, Insurance Code.

## **ARTICLE 2. ELIGIBILITY, APPLICATION, AND ENROLLMENT**

### **Section 2699.201 is amended to read:**

#### **2699.201. Application**

- (a) To apply for the program an individual shall submit:
  - (1) All information, documentation, and declarations necessary to determine program eligibility as set forth in subsection (d) of this section; and
  - (2) A cashier's check or money order for fifty dollars (\$50.00); and



- (3) A statement signed by the applicant agreeing that if the pregnant woman is enrolled, the applicant will pay the full subscriber contribution and acknowledging that the program will take aggressive action to collect the full subscriber contribution.
- (b) The applicant shall sign and date a declaration stating that the information is true and accurate to the best of his or her knowledge.
- (c) The applicant will be notified in writing that the application is incomplete and what documentation is required for completion.
- (d) (1) The application, entitled Access for Infants and Mothers (AIM) Application (~~rev 6/04~~)(rev 7/07), which is incorporated by reference, shall contain the following:
  - (A) The pregnant woman's full name,
  - (B) The pregnant woman's current living address including house or building number (and unit number if applicable), street, city, county, state, and zip code, and phone number,
  - (C) The pregnant woman's date of birth,
  - (D) The pregnant woman's social security number (provision of the Social Security number is not mandatory),
  - (E) The pregnant woman's ethnicity and primary language (not mandatory),
  - (F) Certification by a staff person authorized by the Planned Parenthood Organization or a licensed or certified healthcare professional, including, but not limited to a medical doctor, doctor of osteopathy, registered nurse, physician's assistant, nurse midwife, vocational nurse, or medical assistant, that the woman on whose behalf the application is filed is pregnant,
  - (G) The first day of the pregnant woman's last menstrual period,
  - (H) A declaration that the pregnant woman is not, to the best of the applicant's knowledge, beyond the 30th week of gestation in a current pregnancy, as of the application date,
  - (I) Information about whether the applicant or anyone in the

household smokes,

(J) The address to which the bills for the subscriber's contribution are to be sent, if different from the current living address,

(K) The first and last name, and date of birth of the baby's father if living with the pregnant woman,

(L) Information about whether the father of the baby is married to the pregnant woman,

~~(K)~~(M) A list of all family members living in the home, their ages, and relationship to the pregnant woman,

~~(L)~~(N) A list of those family members, and their social security numbers excluding dependent children, living in the home who had income in the previous or current calendar year, (provision of the social security number is not mandatory),

~~(M)~~(O) Documentation of the total monthly gross household income for either the previous or current calendar year. For each person listed in (L) above, provide documentation for each source of income. Such documentation shall be provided for the previous or current year as indicated below:

1. For the previous calendar year:
  - a. Federal tax return. If self-employed, a schedule C must be included.
  - b. All of the following that are applicable and that reflect the current benefit amount: copies of award letters, checks, bank statements, passbooks, or internal revenue service (IRS) 1099 forms showing the amount of Social Security, State Disability Insurance (SDI), Retirement Survivor Disability Insurance (RSDI), veterans benefits, Railroad Retirement, disability workers' compensation, unemployment benefits, alimony, spousal support, pensions and retirement benefits, loans to meet personal needs, grants that cover living expenses, settlement benefits,

rental income, gifts, lottery/bingo winnings, dividends, or interest income.

2. For the current calendar year:
  - a. A letter from the person's current employer. The letter shall be dated and written on the employer's letterhead, and shall include the following:
    - i. The employee's name.
    - ii. The employer's business name, business address and phone number.
    - iii. A statement of the person's current gross monthly income for a period ending within 45 days of the date the program receives the document.
    - iv. A statement that the information presented is true and correct to the best of the signer's knowledge.
    - v. A signature by someone authorized to sign such letters by the employer. The signer shall include his or her position name or job title and shall not be the person whose income is being disclosed.
  - b. Paystub or unemployment stub showing gross income for a period ending within 45 days of the date the program receives the document.
  - c. If self employed, a profit and loss statement for the most recent three (3) month period prior to the date the program receives the document. A profit and loss statement must include the following:
    - i. Date.
    - ii. Name, address and telephone number

of the business.

- iii. Gross income, gross expenses, and net profit itemized on a monthly basis.
  - iv. A statement on the profit and loss, signed by the person who earned the income, which states, "the information provided is true and correct."
- d. A letter or Notice of Action from the County Welfare Office issued within the last two (2) months that includes:
- i. For each person for whom application is being made, a statement that the person is eligible for share-of-cost Medi-Cal,
  - ii. A determination of total monthly household income and monthly household income after income deductions as defined in Section 2699.100, and
  - iii. A determination of the number of family members living in the household.
- e. All of the following that are applicable and that reflect the current benefit amount: copies of award letters, checks, bank statements, or passbooks showing the amount of Social Security, State Disability Insurance (SDI), Retirement Survivor Disability Insurance (RSDI), veterans benefits, Railroad Retirement, disability workers' compensation, unemployment benefits, alimony, spousal support, pensions and retirement benefits, loans to meet personal needs, grants that cover living expenses, settlement benefits, rental income, gifts, lottery/bingo winnings, dividends, or interest income for the previous month.

~~(N)~~(P) The name of each family member living in the home who

pays court ordered child support or court ordered alimony. The name and age of each person for whom payments are made for child care and/or disabled dependent care by a family member living in the home and the monthly amount paid. Documentation of alimony paid, child care and/or disabled dependent care expenses paid. Documentation includes copies of court orders, cancelled checks, receipts, statements from the District Attorney's Family Support Division or other equivalent document.

~~(O)~~(Q) A declaration that the pregnant woman is not a beneficiary of either no-cost Medi-Cal or Part A and Part B of Medicare,

~~(P)~~(R) A declaration that the pregnant woman has been a resident of the State of California for six (6) continuous months immediately prior to the date of the signing of the application,

~~(Q)~~(S) A declaration that the applicant will abide by the rules of participation, utilization review process, and dispute resolution process of any participating health plan in which the pregnant woman is enrolled,

~~(R)~~(T) Information about any health coverage that is in effect for the pregnant woman or will be in effect for the infant, including the name, address, and policy number of the current insurance or health plan,

~~(S)~~(U) A declaration that the pregnant woman is not, to the best of the applicant's knowledge, covered for maternity benefits in a private insurance arrangement. A pregnant woman with a separate, maternity only deductible or co-payment greater than \$500 shall be deemed not covered for maternity benefits for purposes of this declaration,

~~(T)~~(V) Name, ~~and address~~ and phone number of the primary employer of each adult family member who is employed,

~~(U)~~(W) Information about health coverage available to the applicant, spouse, or father of the baby who is in the household,

~~(V)~~(X) A declaration that the applicant has reviewed the benefits offered by the participating health plans,

~~(W)~~(Y) A declaration that the applicant understands and will follow

the rules and regulations of the program,

~~(X)~~(Z) A declaration that the applicant is giving permission for the program to verify family income, health insurance, residence, and other circumstances,

~~(Y)~~(AA) A declaration that the subscriber is not being, and will not be, reimbursed by any health care provider or any state and local governmental entity for payment of the subscriber contribution and that no health care provider or state or local governmental entity is paying or will pay the subscriber contribution,

~~(Z)~~(BB) An indication of the pregnant woman's first choice and second choice participating health plans,

~~(AA)~~(CC) A declaration that the subscriber agrees to pay the required subscriber contribution, even if the subscriber does not take full advantage of the coverage or services.

~~(BB)~~(DD) A declaration that the information and documentation submitted is true and correct to the best of the applicant's knowledge.

(2) The Social Security number and other personal information are needed for identification and administrative purposes.

(3) If applicable, the applicant's signed authorization to forward the application to the Medi-Cal Program in the county in which the applicant resides for a determination of eligibility for no-cost Medi-Cal.

NOTE: Authority cited: Section 12696.05, Insurance Code. Reference: Sections 12698 and 12698.05, Insurance Code.

**Section 2699.205 is amended to read:**

2699.205. Registration of Infants

~~(a) For infants born to subscribers who are enrolled prior to July 1, 2004, the subscriber shall register the infant as follows:~~

~~(1) Within thirty (30) days of the birth of an infant, the subscriber shall notify her health plan in writing of the following information about the infant:~~

~~—— (A) Name; and~~

~~—— (B) Date of birth; and~~

~~—— (C) Sex; and~~

~~—— (D) Weight at birth.~~

~~(2) Within thirty (30) days prior to an infant's first birthday, the subscriber shall notify the program in writing if the subscriber wishes to disenroll the infant from the program. If notification is not received, the child is automatically enrolled for the second year.~~

~~(b)~~(a) For infants born to subscribers who are enrolled on or after July 1, 2004, the subscriber shall register the infant in the Healthy Families Program as follows:

(1) Upon the birth of the infant, the subscriber shall provide to the Healthy Families Program ~~the required premium and provide the~~ following information about the infant:

(A) Name; and

(B) Date of birth; and

(C) Sex; and

(D) For infants born on or after July 1, 2007:

1. Information on whether or not the infant currently is enrolled in employer sponsored health coverage and the date coverage began; and

2. Information on whether or not the infant was previously enrolled in employer sponsored health coverage, the date coverage began, the date in which coverage terminated, and the reason for termination.

(2) The Healthy Families Program shall request the infant's birth weight and primary care provider from the subscriber.

- (3) Subject to all requirements specified in the statute and regulations governing the Healthy Families Program, the infant will be enrolled in the Healthy Families Program with coverage effective on the date of the infant's birth.

NOTE: Authority cited: Section 12696.05, Insurance Code. Reference: Sections 12693.765 and 12696, Insurance Code.

**Section 2699.207 is amended to read:**

2699.207. Disenrollment

- (a) A subscriber ~~and/or infant~~ shall be disenrolled from the program and from the program's participating health plan when any of the following occur:
  - (1) The subscriber so requests in writing.
  - (2) The subscriber becomes ineligible because:
    - (A) The subscriber fails to meet the residency requirement; or
    - (B) The subscriber has committed an act of fraud to circumvent the statutes or regulations of the program,
    - (C) The subscriber is no longer pregnant on her effective date of coverage. If notification to the program is received after the effective date, documentation by a licensed or certified healthcare professional must be submitted indicating the date of the miscarriage.
    - (D) More than 60 days have elapsed since the end of the pregnancy for which the subscriber enrolled in the program. As a condition of receiving the premium reduction described in Section 2699.400(a)(5), documentation by a licensed or certified healthcare professional must be submitted to the program indicating the date the pregnancy ended.
- ~~(3) The infant becomes ineligible because the infant fails to meet the residency requirement.~~
- (b) ~~A subscriber shall be notified by the program in writing of the disenrollment of the subscriber and/or infant from the program, the effective date, and the reason for the disenrollment.~~



When a subscriber is disenrolled pursuant to subsection (a) of this section, the program shall notify the subscriber of the disenrollment. The notice shall be in writing and include the following information:

- (1) The reason for the disenrollment.
- (2) The effective date of the disenrollment.
- (3) An explanation of the appeals process.
- (c) ~~Except for Section 2699.207(a)(2)(C), disenrollment shall take effect at the end of the calendar month in which the request was received or at the end of a future calendar month as requested by the applicant. Disenrollment pursuant to Section 2699.207(a)(2)(C) shall take effect upon the date that would have been the effective date of coverage.~~  
Disenrollment pursuant to (a)(1), shall take effect at the end of the calendar month in which the request was received or at the end of a future calendar month as requested by the subscriber.
- (d) Disenrollment pursuant to (a)(2)(A), shall take effect at the end of the calendar month in which the program determines that the subscriber fails to meet the residency requirement.
- (e) Disenrollment pursuant to (a)(2)(B), shall take effect at the end of the calendar month in which the program determines that the subscriber has committed fraud.
- (f) Disenrollment pursuant to (a)(2)(C), shall take effect upon the date that would have been the effective date of coverage.
- (g) Disenrollment pursuant to (a)(2)(D), shall take effect on the 61<sup>st</sup> day following the date the subscriber's pregnancy ended.
- ~~(d)~~(h) ~~Once a subscriber and/or infant is disenrolled pursuant to Section 2699.207(a), the subscriber and/or infant cannot be re-enrolled for the same pregnancy.~~

NOTE: Authority cited: Section 12696.05, Insurance Code. Reference: Sections 12696.05 and 12698, Insurance Code.

**Section 2699.209 is amended to read:**

2699.209. Coverage

- (a) The date on which the coverage shall begin shall be no later than ten (10) calendar days from the date the applicant is enrolled. Coverage shall not begin if the pregnancy terminates prior to the effective date of coverage.
- (b) Unless the subscriber is otherwise disenrolled pursuant to Section 2699.207, Coveragecoverage in the program for the subscriber shall be for one pregnancy and shall include services following the pregnancy for sixty (60) days. ~~The subscriber shall be notified of the date her coverage ends and such notice will be provided at least twenty (20) days prior to that date.~~
- ~~(c) Coverage in the program for an infant born to a subscriber who is enrolled prior to July 1, 2004 shall be for two (2) years from the date of the birth of the child.~~
- ~~(d) Notwithstanding subsections (b) and (c) above, coverage in the program for either the subscriber or the infant will cease at disenrollment.~~

NOTE: Authority cited: Section 12696.05, Insurance Code. Reference: Sections 12696.05 and 12698.30, Insurance Code.

**ARTICLE 4. SUBSCRIBER CONTRIBUTIONS AND PAYMENT FOR SERVICES**

**Section 2699.400 is amended to read:**

2699.400. Subscriber Contributions

- (a) Subscriber contributions shall be:
  - (1) An initial fifty dollars (\$50.00) to be submitted with the application; and
  - (2) For subscribers who are enrolled prior to July 1, 2004, the difference between two percent (2%) of the subscriber's gross household income, less deductions, as documented with the application and fifty dollars (\$50.00), which amount shall be due in twelve (12) equal monthly installments beginning with the first month following enrollment; and

- (3) For infants born to subscribers who are enrolled prior to July 1, 2004, one hundred dollars (\$100.00) which shall be due on the infant's first birthday unless either of following apply:
  - (A) The infant is disenrolled from the program prior to the infant's first birthday, or
  - (B) The subscriber provides written proof that the infant is current for the infant's first year immunizations. Such immunizations shall be consistent with the most current version of the Recommended Childhood Immunization Schedule jointly adopted by the Advisory Committee on Immunization Practices, the American Academy of Pediatrics, and the American Academy of Family Physicians. The written proof of completed current first year immunizations shall be signed by a licensed medical doctor, licensed doctor of osteopathy, registered nurse, or licensed physician's assistant. When such written notice is provided the amount shall be fifty dollars (\$50.00).
- (4) For subscribers who are enrolled on or after July 1, 2004, the difference between one and one-half percent (1.5%) of the subscriber's gross household income, less deductions, as documented with the application and fifty dollars (\$50.00), which amount shall be due in twelve (12) equal monthly installments beginning with the first month following enrollment.
- (5) (A) For subscribers who are enrolled on or after July 1, 2008, and no longer pregnant by the end of their first trimester, the subscriber contribution shall be reduced and shall be one-third (1/3) of the subscriber contribution calculated pursuant to subsections (a)(1) and (a)(4) of this section.
  - (B) As a condition of receiving this reduction, documentation by a licensed or certified healthcare professional must be submitted to the program indicating the date the pregnancy ended.
- (b) There shall be no penalty for early payment of any portion of the subscriber contribution.
- (c) In cases of multiple births to a subscriber, the \$100 payment shall apply to each infant born to a subscriber who is enrolled prior to July 1, 2004.

- (d) Subscribers shall not be reimbursed by any health care provider or state or local governmental entity for payment of the subscriber contribution and shall not have any health care provider or state or local governmental entity pay the subscriber contribution.
- (e) No portion of the subscriber contribution is refundable except as provided in Sections 2699.202 and 2699.203, ~~or unless the subscriber is disenrolled pursuant to Subsection 2699.207(a)(2)(C), or unless the subscriber contribution is reduced pursuant to Section 2699.400(a)(5).~~
- (f) A federally recognized California Indian Tribal Government may make required subscriber and infant contributions on behalf of a member of the tribe.
- (g) An applicant in arrears of subscriber contributions shall be sent a reminder notice. Applicants who become ninety (90) days in arrears on subscriber contributions will be reported to a credit reporting agency. If accounts are paid in full at a later date, the credit reporting agency's records shall be updated.

NOTE: Authority cited: Section 12696.05, Insurance Code. Reference: Sections 12696, 12696.05, and 12698, Insurance Code.